Chapter 415-501 WAC
DEFERRED COMPENSATION PLAN

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WAC

DEFERRED COMPENSATION PLAN ESTABLISHED

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415-501-120 Beneficiary. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-120, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-020, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-130 Compensation. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-130, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-030, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-140 Deferred compensation. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-140, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-040, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-150 Department. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-150, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-050, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-160 Eligible employee. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-160, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-060, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-170 Employee retirement benefits board. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-170, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-070, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-180 Employer. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-180, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-080, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-190 Participant. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-190, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-090, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-200 Participation agreement. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-200, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-100, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-210 Separation from service. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-210, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-110, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-300 Department to adopt rules and regulations. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-300, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-508-020, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-305 Department to interpret. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-305, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-564-030, filed 7/29/96, effective 7/29/96.] Repealed by WSR 04-22-053, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770.

415-501-310 Administered by department. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-310, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-508-010, filed 7/29/96, effective 7/29/96.] Repealed by WSR 04-22-053, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770.

415-501-350 Department and employee retirement benefits board actions. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-350, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-508-030, filed 7/29/96, effective 7/29/96.] Repealed by WSR 04-22-053, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770.

415-501-360 Plan prevails. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-360, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-564-010, filed 7/29/96, effective 7/29/96.] Repealed by WSR 04-22-053, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770.

415-501-470 Suspension and reinstatement of deferrals. [Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-470, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-470, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-070, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-070, filed 7/29/96, effective 7/29/96.] Repealed by WSR 04-22-053, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770.

415-501-490 Elections regarding distribution. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-490, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-090, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.780(1) and 41.50.050. WSR 97-05-009, § 415-512-090, filed 2/7/97, effective 3/10/97. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-090, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-492 Distribution to a beneficiary, if distribution to the participant has not begun. [Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-492, filed 12/19/01, effective 1/1/02.] Repealed by WSR 04-22-053, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770.

415-501-500 Distribution of deferrals. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-500, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-110, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-110, filed 7/29/96, effective 7/29/96.] Repealed by WSR 02-01-121, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations.

415-501-710 Plan to conform to state law. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-710, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-568-010, filed 7/29/96, effective 7/29/96.] Repealed by WSR 04-22-053, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770.

415-501-720 Plan to conform to federal law. [Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-720, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-568-020, filed 7/29/96, effective 7/29/96.] Repealed by WSR 04-22-053, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770.

DEFERRED COMPENSATION PLAN ESTABLISHED

WAC 415-501-010 What is the purpose of this chapter, and does it apply to me? (1) This chapter establishes the "deferred compensation plan" according to the provisions of RCW 41.50.030(2), 41.50.088(2), 41.50.770, 41.50.780, and Section 457 of the Internal Revenue Code. This plan is for employees of the state of Washington and approved political subdivisions of the state of Washington.

(2) This chapter does not:

(a) Apply to any other plan administered by the department;

(b) Constitute an employment agreement between the participant and the employer; or

(c) Give a participant any right to be retained in the employ of the employer.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-010, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-010, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, § 415-501-010, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-501-010, filed 7/29/96, effective 7/29/96.]

DEFINITIONS

WAC 415-501-110 Definitions. (1) **Accumulated deferrals.** Compensation deferred under the plan, adjusted by income received, increases or decreases in investment value, fees, and any prior distributions made.

(2) **Automatic enrollment.** A process of enrolling newly hired full-time employees as of January 1, 2017. See WAC 415-501-400 for details.

(3) **Beneficiary.** The person or entity entitled to receive benefits under the plan after the death of a participant.

(4) **Compensation.** All payments made to a participant by the employer as remuneration for services rendered.

(5) **Contributions.** The amount of deferred compensation that you contribute monthly, which can be pretax, taxed, or a combination of both.

(6) **Deferred compensation.** The amount of the participant's compensation that is deferred. Pretax and taxed contributions are both considered deferred compensation. See WAC 415-501-400, 415-501-410, and 415-501-450.

(7) **Deferred compensation program or plan.** A plan that allows employees of the state of Washington and approved political subdivisions of the state of Washington to defer a portion of their compensation according to the provisions of Section 457(b) of the Internal Revenue Code.

(8) **Department.** The department of retirement systems created by RCW 41.50.020 or its designee.

(9) **Eligible employee.** Any person who is employed by and receives any type of eligible compensation from a participating employer for whom services are provided, and who is:

(a) A full-time, part-time, or career seasonal employee of Washington state, a county, a municipality, or other political subdivision of the state, whether or not covered by civil service;

(b) An elected or appointed official of the executive branch of the government, including a full-time member of a board, commission, or committee;

(c) A justice of the supreme court, or a judge of the court of appeals or of a superior or district court;

(d) A member of the state legislature or of the legislative authority of a county, city, or town; or

(e) A volunteer firefighter in accordance with RCW 41.24.010(6).

(10) **Eligible rollover distribution.** A distribution to a participant of any or all funds from an eligible retirement plan unless it is:

(a) One in a series of substantially equal annuity payments;

(b) One in a series of substantially equal installment payments payable over 10 years or more;

(c) Required to meet minimum distribution requirements of the plan; or

(d) Distributed for hardship or unforeseeable emergency from a 457 plan.

(11) **Employer.**

(a) The state of Washington; and

(b) Approved political subdivisions of the state of Washington.

(12) **In-plan conversion.** Allows you to take all or a portion of the funds in your pretax account and convert it to a Roth account.

(13) **Normal retirement age.** An age designated by the participant for purposes of the three-year catch-up provision described in WAC 415-501-430(2). The participant may choose a normal retirement age between:

(a) The earliest age at which an eligible participant has the right to receive retirement benefits without actuarial or similar reduction from his/her retirement plan with the same employer; and

(b) Age 70 1/2.

(14) **Participant.** An eligible employee who:

(a) Is currently deferring compensation under the plan; or

(b) Has previously deferred compensation and has not received a distribution of his/her entire benefit under the plan.

(15) **Participation agreement.** The agreement executed by an eligible employee to enroll in the plan through methods established by the department. Includes the participant's authorization to defer compensation through payroll deductions pursuant to WAC 415-501-410 and 415-501-450.

(16) **Qualified distribution.** A distribution of funds from a designated Roth account that is not subject to further taxation. A qualified distribution may only occur:

(a) After a five-taxable-year period of participation in the Roth account; and

(b) If the distribution is made: (i) On or after attainment of age 59 1/2, (ii) becoming permanently disabled, or (iii) death.

(17) **Roth account.** A form of deferred compensation in which funds are subject to federal income tax at the time of contribution.

(18) **Seasonal employee.** An employee whose position is anticipated to last fewer than five consecutive months.

(19) **You**, as used in this chapter, means a participant as defined in subsection (14) of this section.

[Statutory Authority: RCW 41.50.050 and 2025 c 52. WSR 25-20-010, s 415-501-110, filed 9/18/25, effective 9/19/25. Statutory Authority: RCW 41.50.050 and 41.50.770. WSR 24-15-068, § 415-501-110, filed 7/17/24, effective 8/17/24. Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-110, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 16-24-013, § 415-501-110, filed 11/28/16, effective 1/1/17; WSR 16-12-050, § 415-501-110, filed 5/25/16, effective

6/25/16; WSR 14-10-045, § 415-501-110, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 05-15-045, § 415-501-110, filed 7/11/05, effective 8/11/05; WSR 04-22-053, § 415-501-110, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-110, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-110, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-504-010, filed 7/29/96, effective 7/29/96.]

ADMINISTRATION

WAC 415-501-312 What laws govern the administration of the plan? This plan is intended to be an eligible state deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code and Washington state law. It is interpreted and administered accordingly.

The department is authorized to interpret the provisions of this plan and resolve any ambiguity in the plan. In the event any form or other document used in administering this plan conflicts with the terms of the plan, the terms of the plan prevail.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-312, filed 10/29/04, effective 11/29/04.]

WAC 415-501-315 What are my employer's responsibilities? An employer has responsibilities including, but not limited to, determining employees' eligibility to participate, reporting and paying deferrals to the department, monitoring for deferral limits, reporting employees annually who meet certain Internal Revenue Service limits, and confirming deferral tax type. Employer contributions must be reported to the department separately from employee contributions.

The department's administration of the plan does not replace the employer's responsibilities.

[Statutory Authority: RCW 41.50.050 and SECURE Act of 2022 (P.L. 117-328). WSR 26-03-069, s 415-501-315, filed 1/16/26, effective 1/17/26. Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-315, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 16-24-013, § 415-501-315, filed 11/28/16, effective 1/1/17. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-315, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, § 415-501-315, filed 5/18/00, effective 6/18/00.]

WAC 415-501-320 What are the tax consequences of participating in the plan? You should consult with your own representative regarding questions of federal or state income, payroll, personal property

or other tax consequences arising from your participation in this plan. The department does not:

(1) Represent or guarantee that any particular federal or state income, payroll, personal property or other tax consequence will occur because of your participation in this plan;

(2) Assume any liability for your compliance with the Internal Revenue Code.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-320, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-320, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-564-040, filed 7/29/96, effective 7/29/96.]

WAC 415-501-330 Does the department maintain a record of my account? The department maintains a deferred compensation account for each participant. When necessary, the department will create and maintain a deferred compensation account for a beneficiary or for a former spouse.

[Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-330, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-330, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-330, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-508-040, filed 7/29/96, effective 7/29/96.]

WAC 415-501-340 Where is my deferred compensation deposited? The department deposits deferred compensation into a special fund created in the treasury of the state of Washington called the "deferred compensation principal account." Amounts in the deferred compensation principal account may be invested according to RCW 41.50.770. All amounts payable to participants or their beneficiaries are paid from the deferred compensation principal account.

All costs of administering and staffing the plan, expenses of the department, and other amounts determined by the department and permitted by law, are paid out of the deferred compensation administrative account.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-340, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-340, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-508-050, filed 7/29/96, effective 7/29/96.]

DEPARTMENT POWERS

WAC 415-501-370 How are the rights of participants and beneficiaries determined? (1) The department has the authority to decide

all issues concerning the rights of participants and beneficiaries under the plan. The department's determination is binding on the participant and beneficiaries.

(2) A participant or beneficiary may file a petition for review under chapter 415-04 WAC or an application under WAC 415-08-015(2) for review of a decision to deny an application for distribution pursuant to WAC 415-501-510.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-370, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-370, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-564-020, filed 7/29/96, effective 7/29/96.]

WAC 415-501-380 How are questions about distributions resolved? (1) The department may suspend distribution of your accumulated deferrals in order to resolve issues beyond its authority, such as the correctness of the distribution, amount of the distribution, or identity of the entitled recipient(s). The suspension will continue until all issues are resolved, either by written agreement of all parties concerned or by final order of a court of competent jurisdiction. The department and all involved parties must comply with the final order(s) of the court in any such suit.

(2) Whenever a distribution is suspended pursuant to this section, the time period for making any choice under WAC 415-501-485 or 415-501-491 through 415-501-494 will not begin until all issues are resolved.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-380, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-380, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-380, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-564-050, filed 7/29/96, effective 7/29/96.]

WAC 415-501-390 Can the department delegate its authority? The department may delegate functions performed under this plan to any designee with legal authority to perform such functions.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-390, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-390, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-564-060, filed 7/29/96, effective 7/29/96.]

AUTOMATIC ENROLLMENT

WAC 415-501-400 What is automatic enrollment? Effective January 1, 2017, state agencies and higher education employers must automatically enroll new full-time employees into the deferred compensation program (DCP). Students who work at a college or university, seasonal employees, and retirees who return to employment are exempt from automatic enrollment but may voluntarily enroll at any time. Local employers, including school districts, may use the automatic enrollment provisions by submitting a resolution to the department.

For state employees and some higher education employees, full-time status is defined in WAC 357-01-174. For employees not covered under WAC 357-01-174, the definition of "full time" is at the employer's discretion.

The default deferral amount is pre-tax with a rate of three percent of your taxable compensation. You may change these at any time (see WAC 415-501-450 for details).

The default investment is the Retirement Strategy Fund that assumes you will retire at age 65. You may change your investments at any time (see WAC 415-501-475 for details).

If you are automatically enrolled in DCP, you will receive a mailed notification of automatic enrollment. If you want to alter your automatic enrollment, here are some actions you can take:

(1) Opt out: To prevent the three percent deferral from being deducted from your paycheck, opt out within 30 days of the date on the automatic enrollment notification. To do so, change the three percent default deduction to zero through your established online account or by contacting the DCP record keeper.

(2) Suspend enrollment and remove your contributions: Following your automatic enrollment, you may withdraw DCP deferrals that have been taken from your paycheck. To do so, change the three percent default deduction to zero and request a permissible withdrawal request form. The completed withdrawal request must be received by the DCP record keeper within 90 days of your first payroll contribution under this section. You will receive a distribution of your contributions, plus or minus earnings. These distributions are not eligible for rollover. If you do not request a permissible withdrawal within 90 days from your first payroll contribution, your contributions will be subject to the provisions for distributions described in WAC 415-501-485.

(3) Change your contribution: Adjust your contributions to a smaller or larger whole percentage or select a specific whole dollar amount. With DCP, you may change your contribution amount at any time. Changing your contribution within the first 90 days of automatic enrollment verifies your participation in the program, making you no longer eligible for permissible withdrawal.

(4) Change your investment selection: Select another DCP investment option. With DCP, you can change your investment options at any time.

(5) Reenroll: If you opt out, you may reenroll in DCP at any time (see WAC 415-501-410).

[Statutory Authority: RCW 41.50.050 and 41.50.770. WSR 24-15-068, § 415-501-400, filed 7/17/24, effective 8/17/24. Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-400, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 16-24-013, § 415-501-400, filed 11/28/16, effective 1/1/17.]

PARTICIPATION IN THE PLAN

WAC 415-501-410 How do I enroll in the plan? (1) As an eligible employee, you may enroll in the plan by executing a participation agreement according to methods established by the department.

(2) By executing the participation agreement, you authorize your employer to reduce your gross compensation each month by a specific amount. This amount will be contributed to your deferred compensation account. Your employer will reduce your compensation by the specified amount until you change the amount (WAC 415-501-450).

(3) Deferrals from your compensation will start as soon as administratively possible after your participation agreement is approved by the department.

(4) Reenrollment. If you transfer from a state agency to another state agency without a separation of employment, your deferred compensation program (DCP) enrollment will be automatically transferred to the new state agency. Your contributions will automatically continue. For nonstate participants, if you separate from employment with a DCP employer (break in service) and return to employment with a DCP employer, you must reenroll in the program if you want to resume contributions to DCP. Depending on the employer you return to, you may be subject to the automatic enrollment under WAC 415-501-400.

[Statutory Authority: SECURE Act 2.0, P.L. 117-328, and RCW 41.50.050. WSR 24-10-070, § 415-501-410, filed 4/29/24, effective 5/15/24. Statutory Authority: RCW 41.50.050, 41.50.770, and Secure Act 2.0 § 603. WSR 23-18-025, § 415-501-410, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 16-12-050, § 415-501-410, filed 5/25/16, effective 6/25/16; WSR 14-10-045, § 415-501-410, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-410, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-410, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-010, filed 7/29/96, effective 7/29/96.]

WAC 415-501-415 May I move funds into the plan from an eligible retirement plan? (1) **Rollover.** If you established your deferred compensation account through your own employment with a participating employer, you may roll pretax contributions into the plan from an individual retirement account (IRA) or from another eligible retirement plan. Your DCP account also accepts rollovers-in from designated Roth accounts within eligible retirement plans, but not from Roth IRAs. If your account was established as a beneficiary following the original account owner's death, or as a result of a domestic relations order as described in WAC 415-501-495, you are not eligible to roll additional funds into the account.

(a) The plan will keep a separate accounting of all funds rolled into the plan.

(b) Distributions of money rolled into the plan may be subject to an additional 10 percent tax on early distributions.

(2) **Plan-to-plan transfer.** You may transfer money into the plan from another eligible governmental Section 457(b) plan maintained by a political subdivision, subject to the following conditions:

(a) The political subdivision also participates in DCP;

(b) The transferor plan allows direct plan-to-plan transfers; and

(c) You are employed by the political subdivision at the time of the transfer.

(3) **Rollover/transfer application.** You must complete the appropriate form to transfer or roll money into your deferred compensation account. Forms are available through the department or on its website.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-415, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050. WSR 20-24-108, § 415-501-415, filed 12/1/20, effective 1/1/21. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-415, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-415, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-415, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-015, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-015, filed 7/29/96, effective 7/29/96.]

WAC 415-501-416 May I move funds from the plan into another eligible retirement plan? (1) **Rollover.** Subject to the rules of the receiving plan, you may roll pretax contributions into an individual retirement account (IRA) or another eligible retirement plan after separation from service. You also have the option of rolling out dollars from your Roth 457(b) account to a Roth IRA or another employer plan with designated Roth accounts (such as a 457, 401(k), or 403(b) that accepts Roth rollovers).

(2) **Plan-to-plan transfer.** You may transfer money:

(a) Through a plan-to-plan transfer into another eligible governmental Section 457(b) plan after you terminate employment, if the receiving plan allows the transfer and you are employed by the sponsor of the receiving plan.

(b) Through a plan-to-plan transfer into another eligible governmental Section 457(b) plan maintained by a political subdivision if the receiving plan allows the transfer and you are employed by the political subdivision both before and after the transfer.

(c) Through a plan-to-plan transfer to purchase service credit in a governmental Section 401(a) plan.

Transferred funds are governed by the rules of the receiving plan.

(3) Subject to the rules of the receiving plan, if your spouse becomes eligible to receive a distribution as beneficiary, your spouse may roll an eligible rollover distribution from his/her deferred compensation account into an eligible retirement plan in which he or she is a member.

(4) **Rollover/transfer application.** You or your spouse must complete the appropriate form to transfer or roll money over from your

deferred compensation account. Forms are available through the department or on its website.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-416, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-416, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-416, filed 12/19/01, effective 1/1/02.]

WAC 415-501-417 How do I purchase service credit in a qualified defined benefit retirement plan? (1) **What is allowed.** Subject to the requirements of the receiving retirement plan, you may make a direct transfer of funds from your deferred compensation account to purchase, restore, or reinstate service credit in any qualified defined benefit government retirement plan.

(2) **Who is eligible.** You may transfer funds, whether or not you are employed at the time of the transfer.

(3) **How to request a transfer.**

(a) You may request a transfer by submitting a completed form to the department.

(b) Forms are available through the department or on its website.

(4) **Tax consequences.** You are advised to consult with a tax professional regarding the tax consequences of this transaction.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-417, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-417, filed 12/19/01, effective 1/1/02.]

WAC 415-501-418 May I transfer pretax and Roth balances within the plan? An in-plan conversion allows you to convert your pretax balance to your Roth account within the plan. This conversion results in the amount being reported as income in the year of conversion which may result in a tax liability for you. There are no taxes withheld by the recordkeeper at the time of the in-plan conversion. Once it is completed, the in-plan conversion cannot be reversed. There is no limit to the number of times an in-plan conversion can be done.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-418, filed 8/25/23, effective 9/25/23.]

WAC 415-501-420 What are the deferral limits? (1) The minimum deferral for DCP is:

(a) Thirty dollars per month; or

(b) A whole percentage of monthly compensation for each deferral type (Roth and pretax). This means if you were contributing to both options, you would be contributing at least one percent to Roth and one percent to pretax, or at least $30 as a combined minimum for both.

(2) Except as provided in WAC 415-501-430 (catch-up provisions) and WAC 415-501-435 (uniformed service make-up contributions), the maximum annual deferral limit is the smaller of:

(a) One hundred percent of your includable compensation as defined in IRC Section 457 (e)(5), and Treasury Regulation 1.457.2(g), and determined without regard to community property laws; or

(b) The annual deferral limit established each year by the Internal Revenue Service. The annual deferral limit is published on the department's deferred compensation program website.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-420, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 16-24-013, § 415-501-420, filed 11/28/16, effective 1/1/17; WSR 14-10-045, § 415-501-420, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-420, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-420, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-420, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-020, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-020, filed 7/29/96, effective 7/29/96.]

WAC 415-501-430 Are there exceptions to the annual deferral limits? As allowed by the Internal Revenue Service, you may defer more than the annual deferral limit if you qualify to use one of the "catch-up" provisions described in this section. You may not use both catch-up provisions during the same taxable year. The same annual limits apply for both Roth and pretax deferrals. These limits are combined totals even if you contribute to both.

(1) **Age 50 and over:** You may defer a higher amount in any year that you are age 50 or older. The maximum you may defer each year is the sum of the annual deferral amount for the current taxable year plus the age 50 and over catch-up amount established by the IRS under 26 U.S.C. Section 414(v). Beginning January 2026, the catch-up amounts must be reported as Roth contributions if you made more than $145,000 (adjusted annually for inflation) in wages from your DCP employer in the prior calendar year. If you made $145,000 or less in wages from your DCP employer in the prior calendar year, then you have the option to contribute the catch-up amounts as Roth deferrals.

(2) **Three years before normal retirement age:** You may defer a higher amount during a period of three consecutive years immediately preceding the taxable year in which you reach normal retirement age as defined in WAC 415-501-110(13). The maximum you may defer during each of the three years is the lesser of:

(a) Twice the annual deferral limit; or

(b) The sum of the annual deferral limit for the applicable years, plus the portion of the annual deferral limit for any prior taxable year that you have not previously used.

(i) For years prior to 2002, amounts you deferred under certain other plans must be considered in determining the unused amount, consistent with Treasury Regulation 1.457-4 (c)(3)(iv).

(ii) A prior taxable year may be taken into account only if:

(A) It begins after December 31, 1978;

(B) You were eligible, during any portion of the taxable year, to participate in the plan; and

(C) Compensation deferred under the plan during that year, if any, was subject to a deferral limit under WAC 415-501-420.

Three-year catch-up example one: At age 64, Pat, a PERS 2 member, declares their normal retirement age of 66 and begins deferring the higher annual limit. Pat's intention is to retire at age 65 so that they can use the higher catch-up amounts in their final year of employment.

After a year, at age 65, Pat decides that they would like to work another year until age 66. Since Pat already declared age 66, the higher limit amount cannot be used beyond the year they turn 65. They cannot change their declared normal retirement age to 67 and continue with the higher deferral amounts for a third year.

Though Pat cannot change the normal retirement age once declared, there is no issue with working beyond the normal retirement age. They will only be able to defer the standard limit amount for their age, not the special three-year catch-up amounts in the year of their declared normal retirement age or beyond.

Three-year catch-up example two: At age 60, Alex has 30 years of service and declares their normal retirement age of 63 and begins to defer the higher annual limit. At age 62, they decide to retire and at the time of retirement defer their vacation leave cash out. This is acceptable as long as their deferrals for the year are not in excess of the catch-up limit. The declared age of 63 allows for catch-up deferrals in the calendar years that Alex was 60, 61, and 62; retiring prior to age 63 does not affect the years the higher deferral amounts are allowed.

[Statutory Authority: RCW 41.50.050 and SECURE Act of 2022 (P.L. 117-328). WSR 26-03-069, s 415-501-430, filed 1/16/26, effective 1/17/26. Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-430, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-430, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-430, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-430, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-430, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-030, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-030, filed 7/29/96, effective 7/29/96.]

WAC 415-501-435 May I make deferrals that were missed during periods of uniformed service? (1) **Does the plan have a military make-up provision?** Participants meeting certain eligibility requirements are allowed to make up contributions that were missed during periods of absence from employment due to uniformed service, based on federal laws and regulations of the Uniformed Services Employment and Reem-

ployment Rights Act of 1994 (USERRA, 38 U.S.C. Sections 4301 through 4335).

(2) **What constitutes uniformed service?** For the purposes of this rule, uniformed service includes: The Army, Navy, Air Force, Marines, Coast Guard, the commissioned corps of the Public Health Service, the reserve components of the foregoing services, the National Guard, the National Disaster Medical System, and any other category of persons designated as such by the President in a time of war or emergency. Service includes active duty, active duty for training, initial active duty for training, inactive duty training, examination to determine fitness for duty, funeral honors duty, and full-time National Guard duty. Service may be voluntary or involuntary.

(3) **What is the time limit for making up missed deferrals?** Make-up deferrals must be made within a period not exceeding three times the period of uniformed service, but in no case more than five years. This is referred to as the statutory period. The period begins the day you return to work. Missed deferrals can only be made while you are employed by your original employer. If you leave that employer but return to that employer within the statutory period, you may continue to make up deferrals until the end of the statutory period.

(4) **What is the limit on military make-up contributions?** You may contribute up to the maximum contributions for each calendar year that included absence from employment for uniformed service. In addition, you may contribute up to the maximum for the current calendar year.

EXAMPLE:

John is employed from January to June 2008, and defers $5,000 into his DCP account during that time. John is on leave for uniformed service from July 2008 through December 2009, one and one-half years. He returns to employment with this original employer in January 2010.

The deferral limits for this period are as follows: **2008** - $15,500; **2009** - $16,500; **2010** - $16,500; **2011** - $16,500; **2012** - $17,000; **2013** - $17,500; and **2014** - $17,500. John's statutory period for make-up contributions is four and one-half years (through June 2014).

Upon his return to employment, during 2010: For 2010, John may defer $16,500 out of his regular salary (subject to limitations for includable compensation). During 2010, he may also defer:

- Up to $10,500 allocable to 2008 ($15,500 less $5,000 previously deferred); and
- Up to $16,500 allocable to 2009.

He decides to contribute $16,500 for 2010, and $5,000 for 2008.

During 2011. For 2011, John may defer $16,500 out of his regular salary. During 2011, he may also defer:

- Up to $5,500 for 2008 ($15,500 less $10,000 total previously deferred).
- Up to $16,500 for 2009.

(5) **How are make-up deferrals made?** Make-up deferrals are made through payroll deductions after you return to employment. Make-up contributions may be paid using pretax or Roth dollars.

(6) **What conditions must be met to qualify for this provision?** You must not have been released from the uniformed service under dishonorable or other punitive conditions, as set forth in 38 U.S.C. Section 4304. In addition, you must return to employment with your origi-

nal employer within the time frame specified in USERRA (38 U.S.C. Section 4312) based on your length of service.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-435, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-435, filed 4/30/14, effective 6/1/14.]

WAC 415-501-440 How are deferral limits monitored? (1) Employers will monitor deferrals to ensure that amounts deferred comply with the annual deferral limit in WAC 415-501-420 and the age-50 catch-up deferral limit.

(2) The department may also monitor deferrals and has the authority to disallow deferral of compensation in excess of the limits.

(3) You must also monitor your deferrals to ensure that combined deferrals in two or more deferred compensation plans do not exceed the deferral limits.

(4) If the plan determines that your deferrals into the plan have exceeded the deferral limit, the excess deferrals will be distributed to you as soon as administratively practicable.

[Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-440, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-440, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-440, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-040, filed 7/29/96, effective 7/29/96.]

WAC 415-501-450 May I change my deferral amount? You may change the amount of your deferred compensation through the methods established by the department. Changes must be made in a whole dollar increment or whole percentage.

A change in the amount will be effective as soon as administratively possible if you notify the department of the change, through the methods available, and prior to your employer's established "cut-off date" for the payroll in which the change will occur.

[Statutory Authority: SECURE Act 2.0, P.L. 117-328, and RCW 41.50.050. WSR 24-10-070, § 415-501-450, filed 4/29/24, effective 5/15/24. Statutory Authority: RCW 41.50.050(5). WSR 16-24-013, § 415-501-450, filed 11/28/16, effective 1/1/17; WSR 14-10-045, § 415-501-450, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-450, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-450, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-050, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-050, filed 7/29/96, effective 7/29/96.]

WAC 415-501-472 Who determines DCP's investment options? (1) The state investment board, in consultation with the department, makes

certain investment options available to plan participants. The investment board may:

(a) Open, change, or close investment options according to its investment policy; or

(b) Change investment managers for any investment option.

(2) If the state investment board closes or substantially changes an investment option, the state investment board may transfer the funds invested in that option to another option that, in the board's judgment, most closely resembles the investment characteristics of the option being closed or changed.

[Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-472, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10). WSR 05-22-109, § 415-501-472, filed 11/2/05, effective 12/3/05.]

WAC 415-501-475 How will my deferred compensation be invested? (1) When you enroll, you may select one or more of the investment options offered. Initially, you will need to select the same investment option(s) for both Roth and pretax if you contribute to both at enrollment. After you have enrolled, you may select different investments for your Roth and pretax contributions through your online account.

(2) The department will invest 100 percent of your future contributions in the Retirement Strategy Fund that assumes you will retire at age 65 if any of the following occurs during the enrollment process.

(a) An investment option is not selected.

(b) The total does not equal 100 percent when multiple investment options are selected.

(c) You are automatically enrolled into DCP.

(3) In general, you may change the investment of your accumulated deferrals, the investment of your future deferrals, or both, through the methods established by the department. However, if necessary to protect the performance results of the DCP program, the department has the right to:

(a) Limit the number of times you change investment options;

(b) Limit the frequency of the changes;

(c) Limit the manner of making changes; or

(d) Impose other restrictions.

In addition, changes must be consistent with any restrictions on trading imposed by the investment options involved.

(4) Beneficiaries over age 18 and former spouses may change the investment options through the methods established by the department once a separate account has been established for them. The guardian of a minor beneficiary may change the investment options on the minor's account if authorized by the order of guardianship.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-475, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 16-24-013, § 415-501-475, filed 11/28/16, effective 1/1/17; WSR 16-12-050, § 415-501-475, filed 5/25/16, effective 6/25/16; WSR 14-10-045, § 415-501-475, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10). WSR 05-22-109, § 415-501-475, filed 11/2/05, effective 12/3/05. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and

41.50.770. WSR 04-22-053, § 415-501-475, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-475, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-075, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-075, filed 7/29/96, effective 7/29/96.]

WAC 415-501-480 How do I designate my beneficiaries? You have the right to designate a beneficiary or beneficiaries to receive your accumulated deferrals in the event of your death. You may change your beneficiary designation at any time online, or by filing a beneficiary change form with the department. The change will take effect upon the department's receipt of the beneficiary change form. Your designated beneficiary or beneficiaries must be the same for your entire DCP account (both pretax and Roth balances).

You may name:

(1) An organization or person, including unborn or later adopted children. However, unborn or later adopted children must be specifically designated as beneficiaries on the form. You must indicate the date of birth for any living person you name as a beneficiary.

(2) Your estate.

(3) An existing trust or a trust that is to be established under your last will. For an existing trust, you must provide a copy of the trust document and the name, address and telephone number of the current trustee.

You may name contingent beneficiaries in addition to primary beneficiaries.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-480, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5). WSR 16-24-013, § 415-501-480, filed 11/28/16, effective 1/1/17. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-480, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-480, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-080, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-080, filed 7/29/96, effective 7/29/96.]

WAC 415-501-485 How do I obtain a distribution? Distribution from the plan is governed by Internal Revenue Code Sections 401(a)(9) and 457(d); the treasury regulations interpreting these sections; and these rules to the extent they are not inconsistent with the Internal Revenue Code. The options for distribution are available from the department's recordkeeper.

(1) **Date of distribution.** You may choose the date on which to begin distribution from your deferred compensation account, subject to the requirements in (a) through (c) of this subsection; however, in order for earnings on Roth contributions to be tax-free at time of distribution, the requirements for a qualified distribution must be satisfied.

(a) **Earliest date.** You may not begin distribution prior to your termination of employment, with the following exceptions:

(i) A distribution for an unforeseeable emergency under WAC 415-501-510;

(ii) A voluntary in-service distribution under subsection (4) of this section;

(iii) A distribution from funds that were rolled into the deferred compensation account (may be subject to tax penalties); or

(iv) An in-service distribution in any calendar year in which you will reach age 59.5 or more.

(b) **Latest date.** You must begin distribution on or before April 1st of the calendar year following the latter of:

(i) The calendar year in which you attain the required minimum distribution age as designated in Internal Revenue Code Section 401(a)(9); or

(ii) The calendar year in which you retire.

(c) If you do not choose a distribution date, the department will begin distribution according to the minimum distribution requirements in IRC Section 401(a)(9).

(2) **Method of distribution.** Payment options include a lump sum payment, partial lump sum payment, or installment payments.

Beginning at the age in which you must receive a required minimum distribution as designated in Internal Revenue Code Section 401(a)(9) or when you terminate employment, whichever comes later, payment must be in an amount to satisfy minimum distribution requirements in IRC Section 401(a)(9).

(3) **Voluntary in-service distribution at any age.** You may choose to withdraw the total amount payable to you under the plan while you are employed if the following three requirements are met:

(a) Your entire account value does not exceed $5,000;

(b) You have not previously received an in-service distribution; and

(c) You have made no deferrals during the two-year period ending on the date of the in-service distribution.

(4) **Unforeseeable emergencies.** See WAC 415-501-510.

(5) **Rehire.** If you submit an immediate lump sum or partial distribution request and the request is received in good order prior to being rehired, your distribution will be processed even if you become rehired with a DCP employer. If you are receiving installment payments or have requested to receive installment payments and then return to employment with a DCP employer, your payments from your DCP account will cease. You may request a distribution when you are again eligible consistent with these rules.

[Statutory Authority: RCW 41.50.050, SECURE Act of 2019 (P.L. 116-94), and SECURE Act of 2022 (P.L. 117-328). WSR 24-13-047, § 415-501-485, filed 6/12/24, effective 6/13/24. Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-485, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050. WSR 22-17-049, § 415-501-485, filed 8/11/22, effective 9/11/22. Statutory Authority: RCW 41.50.030 and 41.50.050. WSR 21-07-044, § 415-501-485, filed 3/11/21, effective 4/11/21. Statutory Authority: RCW 41.50.050. WSR 20-17-006, § 415-501-485, filed 8/5/20, effective 9/5/20. Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-485, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.780(10). WSR 06-04-058, § 415-501-485, filed 1/27/06, effective 2/27/06. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and

41.50.770. WSR 04-22-053, § 415-501-485, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-485, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-485, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-085, filed 7/29/96, effective 7/29/96.]

WAC 415-501-486 How will my accumulated deferrals be distributed in the event of my death? If you die before your entire deferred compensation account has been distributed, accumulated deferrals will be paid to the beneficiary or beneficiaries you have designated according to WAC 415-501-480.

(1) If one or more primary beneficiaries survive your death by a period of thirty days, your accumulated contributions will be distributed to the surviving primary beneficiaries using the ratio established on your beneficiary designation form.

(2) If no primary beneficiary survives your death, but one or more contingent beneficiaries survive your death by thirty days, your accumulated contributions will be distributed to the surviving contingent beneficiaries using the ratio established on your beneficiary designation form.

(3) If no primary or contingent beneficiary survives your death, but your spouse survives your death by a period of thirty days, your accumulated contributions will be distributed to your surviving spouse.

(4) If no primary beneficiary, contingent beneficiary, or spouse survives your death by a period of thirty days, your accumulated contributions will be distributed to your estate.

[Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-486, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-486, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-486, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-486, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-086, filed 7/29/96, effective 7/29/96.]

WAC 415-501-487 If my beneficiary dies while receiving my accumulated deferrals, who will get the remainder of the account? (1) If your beneficiary dies while receiving distributions, any remaining balance will be paid according to their beneficiary election on file (see WAC 415-501-480).

(2) If there is no beneficiary election on file, the remaining balance will be paid to your beneficiary's estate.

[Statutory Authority: RCW 41.50.050. WSR 22-17-049, § 415-501-487, filed 8/11/22, effective 9/11/22; WSR 20-17-006, § 415-501-487, filed 8/5/20, effective 9/5/20. Statutory Authority: RCW 41.50.050(5),

41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-487, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-487, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-487, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-087, filed 7/29/96, effective 7/29/96.]

WAC 415-501-488 How will the account be distributed if my beneficiary is my spouse? If you die with money in your account and your beneficiary is your spouse, an account will be established in your spouse's name.

(1) The distribution options will be provided to your spouse when DCP is notified of your death. Your spouse may choose the method of distribution (installment payments or lump sum) and may be subject to a required minimum distribution each calendar year until the account is exhausted.

(2) Required minimum distribution. If applicable, the department will begin distribution according to the minimum distribution requirements in the Internal Revenue Code Section 401 (a)(9).

Receiving more than the required minimum distribution during one calendar year does not excuse your spouse from taking the required minimum in the following calendar year(s).

(3) If your spouse dies before the entire account is exhausted, the remainder of the account will be paid according to their beneficiary election(s) on file (see WAC 415-501-480). If there is no beneficiary election on file, the remaining balance will be paid to their estate.

[Statutory Authority: RCW 41.50.050 and the SECURE Act 2.0 of 2022 (P.L. 117-328). WSR 24-20-120, s 415-501-488, filed 10/1/24, effective 11/1/24. Statutory Authority: RCW 41.50.050. WSR 22-17-049, § 415-501-488, filed 8/11/22, effective 9/11/22; WSR 20-17-006, § 415-501-488, filed 8/5/20, effective 9/5/20. Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-488, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-488, filed 10/29/04, effective 11/29/04.]

WAC 415-501-491 How will the account be distributed if my beneficiary is not my spouse? If you die with money in your account and your beneficiary is an individual other than your spouse, an account will be established in your beneficiary's name.

(1) For rules governing distribution to an entity other than an individual (e.g., a trust, estate, or organization), see WAC 415-501-493.

(2) The distribution options will be provided to your beneficiary when DCP is notified of your death, and will be based on treasury rules in effect at that time.

(3) Required minimum distribution. If applicable, the department will pay out any required minimum distribution(s) according to the Internal Revenue Code Section 401 (a)(9).

(4) If your beneficiary dies before the entire account is exhausted, the remainder of the account will be paid according to their beneficiary election(s) on file (see WAC 415-501-480). If there is no beneficiary election on file, the remaining balance will be paid to their estate.

[Statutory Authority: RCW 41.50.050 and the SECURE Act 2.0 of 2022 (P.L. 117-328). WSR 24-20-120, s 415-501-491, filed 10/1/24, effective 11/1/24. Statutory Authority: RCW 41.50.050. WSR 22-17-049, § 415-501-491, filed 8/11/22, effective 9/11/22; WSR 20-17-006, § 415-501-491, filed 8/5/20, effective 9/5/20. Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-491, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-491, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-491, filed 12/19/01, effective 1/1/02.]

WAC 415-501-493 How will my accumulated deferrals be distributed if my beneficiary is an organization, estate, or trust? If your beneficiary is an organization, estate, or trust, the department will make the distribution as a lump sum in the second month following the receipt of all required information.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-493, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-493, filed 12/19/01, effective 1/1/02.]

WAC 415-501-494 How will the account be distributed if my beneficiary is a minor? If you die before your entire account has been distributed and if one or more of your beneficiaries is a minor child, your deferred compensation funds will be distributed to the minor according to the following:

(1) If the guardian is a parent, a Proof of Guardianship form and a copy of the minor's birth certificate is required.

(2) If the guardian is not a parent, a Proof of Guardianship form and court documentation verifying the guardianship of the minor is required.

(3) Distribution consistent with this rule releases the department and its designated recordkeeper from further liability with regard to your DCP account.

(4) The person receiving the distribution pursuant to this rule must choose a distribution date and method on behalf of the minor, consistent with the requirements of this chapter.

[Statutory Authority: RCW 41.50.050. WSR 20-17-006, § 415-501-494, filed 8/5/20, effective 9/5/20. Statutory Authority: RCW 41.50.050(5), 41.50.770, and 41.50.780. WSR 09-09-044, § 415-501-494, filed 4/9/09, effective 5/10/09. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-494, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5),

41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-494, filed 12/19/01, effective 1/1/02.]

WAC 415-501-495 Will the department honor domestic relations orders? (1) The department will honor a domestic relations order (DRO) only if the order:

(a) Was entered by a court of competent jurisdiction pursuant to the domestic relations law of any state;

(b) Establishes a right of a spouse or former spouse to a portion of your deferred compensation account pursuant to a division of property;

(c) Clearly states either the dollar amount or a percentage of the account to be transferred to the account of the spouse or former spouse from your account; and

(d) Provides your name and date of birth, and the name and date of birth of your spouse or former spouse.

(2) You must provide the address and Social Security number of both you and your spouse or former spouse to the department.

(3) To implement a DRO, the department will establish a separate account for the spouse or former spouse in the amount specified in subsection (1)(c) of this section. The transfer(s) will be prorated across all funds and money sources based on the amount awarded to the spouse or former spouse. Thereafter, the spouse or former spouse may provide investment instructions under WAC 415-501-475.

(4) Your spouse or former spouse may choose a method of distribution, including an eligible direct rollover.

(5) If a DRO filed with the department prior to January 1, 2002, provides that distribution to the spouse or former spouse is not available until you separate from service, the department will comply with the express terms of the order unless it is subsequently amended.

(6) Required minimum distribution and determining age requirements for distribution. If the spouse or former spouse has a balance in their account at the time the original account holder reaches the required minimum distribution age, the department will begin distribution in accordance with the minimum distribution requirements as designated in Internal Revenue Code Section 401 (a)(9) and the treasury regulations thereunder.

(7) If the spouse or former spouse dies before the account is fully distributed, the remaining balance will be paid according to the beneficiary election(s) on file (see WAC 415-501-480). If there is no beneficiary election on file, the remaining balance will be paid to their estate.

[Statutory Authority: RCW 41.50.050 and the SECURE Act 2.0 of 2022 (P.L. 117-328). WSR 24-20-120, s 415-501-495, filed 10/1/24, effective 11/1/24. Statutory Authority: RCW 41.50.050. WSR 20-17-006, § 415-501-495, filed 8/5/20, effective 9/5/20. Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-495, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-495, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.060, 41.50.770, 41.50.780, 2001 c 42. WSR 02-12-084, § 415-501-495, filed 6/4/02, effective 7/5/02. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-495, filed

12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-495, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-095, filed 9/30/98, effective 10/31/98.]

UNFORESEEABLE EMERGENCY

WAC 415-501-510 May I withdraw some or all of my accumulated deferrals in the event of an unforeseeable emergency? (1) Notwithstanding any other provisions in this chapter, you may request all or a portion of your accumulated deferrals if:

(a) You are terminally ill. The department's recordkeeper will arrange for payment to you within 10 business days following application. To be eligible, the department's recordkeeper must receive documentation verifying your terminal illness along with your application.

(b) You have a qualifying unforeseeable emergency. The department's recordkeeper will distribute payment to you typically within 60 business days following application. To be eligible, the department's recordkeeper must receive documentation verifying your unforeseeable emergency, along with your application. The amount paid will be limited strictly to that amount reasonably necessary to satisfy the emergency need.

(c) If you have Roth deferrals, you may be taxed on earnings if the Roth withdrawal does not meet the definition of a qualified distribution (see WAC 415-501-110(16)).

(2) For purposes of this plan, an unforeseeable emergency is severe financial hardship resulting from:

(a) A personal illness or accident or the illness or injury of a spouse or dependent who meets the definition in Section 152(a) of the Internal Revenue Code;

(b) Loss of your property due to casualty, including the need to rebuild a home following damage not otherwise covered by homeowner's insurance, e.g., as a result of natural disaster; or

(c) Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control, such as:

(i) The imminent foreclosure of or eviction from your primary residence due to circumstances that were beyond your control;

(ii) The need to pay medical expenses, including nonrefundable deductibles as well as the cost of prescription drug medication; or

(iii) The need to pay funeral expenses of a participant's or beneficiary's spouse or dependent (as defined in Section 152(a) of the Internal Revenue Code without regard to Sections 152 (b)(1), (2), and (d)(1)).

(3) The circumstances that constitute an unforeseeable emergency depend upon the facts of each case, but, in no case will the department's recordkeeper approve a distribution request if the financial hardship is or may be relieved:

(a) Through reimbursement or compensation by insurance or otherwise; or

(b) By liquidation of your assets, to the extent liquidation of such assets would not itself cause severe financial hardship; or

(c) By cessation of deferrals under the plan.

(4) Examples: The following types of occurrences are not considered unforeseeable emergencies: Sending your child to college or purchasing a home.

(5) If the department's recordkeeper denies your request for distribution, you may request a review of that decision according to the provisions of WAC 415-08-015.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-510, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050. WSR 22-17-049, § 415-501-510, filed 8/11/22, effective 9/11/22; WSR 20-17-006, § 415-501-510, filed 8/5/20, effective 9/5/20. Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-510, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-510, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.770 and 41.50.780. WSR 02-02-059, § 415-501-510, filed 12/28/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-510, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-524-010, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-524-010, filed 7/29/96, effective 7/29/96.]

LEAVE OF ABSENCE

WAC 415-501-520 May I stay in the plan if I am on a leave of absence? If you are on an approved leave of absence from the employer, participation in this plan will continue.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-520, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-520, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-528-010, filed 7/29/96, effective 7/29/96.]

AMENDMENT OR TERMINATION OF PLAN

WAC 415-501-530 What happens if the plan is terminated? The legislature may terminate this plan at any time. Upon such termination, accumulated deferrals will be distributed to all plan participants and beneficiaries as soon as administratively possible. The participants' deferrals will cease.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-530, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-530, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-530, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050

and 41.50.780(11). WSR 96-16-020, § 415-532-010, filed 7/29/96, effective 7/29/96.]

WAC 415-501-540 Does the department have the right to amend the plan? To the extent not inconsistent with state and federal law, the department may amend the provisions of this plan at any time. No amendment will affect the rights of participants or their beneficiaries regarding accumulated deferrals at the time of the amendment.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-540, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-540, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-532-020, filed 7/29/96, effective 7/29/96.]

RELATIONSHIP TO OTHER PLANS

WAC 415-501-550 Will my retirement benefit be affected by the amount of compensation I defer? Deferred amounts are included as compensation in determining benefits or rights under the employer's group insurance and retirement plans.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-550, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-550, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-536-010, filed 7/29/96, effective 7/29/96.]

TRANSFER IN LIEU OF CASH

WAC 415-501-560 May I receive assets in lieu of cash? Upon the occurrence of any event requiring the distribution of accumulated deferrals under this plan, the department may, in its sole discretion, elect to honor a request from the participant to substitute the transfer in kind and assignment of any asset that the employer has acquired, at fair market value.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-560, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-560, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-540-010, filed 7/29/96, effective 7/29/96.]

NONASSIGNABILITY CLAUSE

WAC 415-501-570 May I transfer or assign my accumulated deferrals? Neither you, your beneficiaries, nor any other designee, has

any right to sell, assign, transfer, commute, or otherwise convey the right to receive any distributions under the plan. These distributions and right thereto are nonassignable and nontransferable. Unpaid accumulated deferrals are not subject to attachment, garnishment, or execution and are not transferable by operation of law in event of bankruptcy or insolvency, except to the extent otherwise required by law. In the event of any attempt to assign or transfer, the state investment board and the department will have no liability.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-570, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-570, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-544-010, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-544-010, filed 7/29/96, effective 7/29/96.]

ASSETS

WAC 415-501-580 How are the plan's assets protected for the exclusive benefit of participants and beneficiaries? Despite any contrary provision of the plan, in accordance with Section 457(g) of the Internal Revenue Code, all compensation deferred under the plan, all property and rights purchased with such compensation, and all income attributable to such compensation, property, or rights will be held in trust for the exclusive benefit of participants and beneficiaries under the plan. Any trust under the plan will be established under the laws of Washington.

All amounts of compensation deferred under the plan will be transferred to a trust established under the plan within a period that is not longer than is reasonable for the proper administration of the accounts of participants. Under RCW 41.50.780(4) the state investment board is made trustee of state deferred compensation plan assets.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-580, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-580, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-548-010, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-548-010, filed 7/29/96, effective 7/29/96.]

PARTICIPATION BY DEPARTMENT OFFICERS AND EMPLOYEES AND MEMBERS OF THE EMPLOYEE RETIREMENT BENEFITS BOARD

WAC 415-501-590 Are department officers and employees eligible to participate in the plan? Department officers and employees who are otherwise eligible may participate in the plan under the same terms and conditions as apply to other participants. Such officers and employees may not be involved in any decision or action uniquely affecting their own account or participation in the plan.

[Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-590, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-590, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-590, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-552-010, filed 7/29/96, effective 7/29/96.]

EMPLOYER CONTRIBUTIONS

WAC 415-501-600 Is my employer allowed to contribute to my deferred compensation account? The employer may, pursuant to WAC 415-501-450, add additional deferred compensation for services you provided to the employer during any calendar month, provided:

(1) You elected to have such additional compensation deferred pursuant to this plan, prior to the calendar month in which the compensation is earned;

(2) Such additional deferred compensation, when added to all other deferred compensation under the plan, does not exceed the maximum deferral permitted by this chapter; and

(3) Your employer's contributions will be pretax.

[Statutory Authority: RCW 41.50.050, 41.50.770, and SECURE Act 2.0 § 603. WSR 23-18-025, § 415-501-600, filed 8/25/23, effective 9/25/23. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-600, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-600, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-600, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-556-010, filed 7/29/96, effective 7/29/96.]

INVESTMENT RESPONSIBILITY

WAC 415-501-610 What is the state investment board's responsibility regarding investments? Action by the state investment board as plan trustee or by the department as plan administrator is not an endorsement or guarantee of any investment. Such action will not be considered to attest to the financial soundness or the suitability of any investment for the purpose of meeting future obligations.

[Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-610, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, recodified as § 415-501-610, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-560-010, filed 9/30/98, effective 10/31/98. Statutory Authority:

RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-560-010, filed 7/29/96, effective 7/29/96.]